[Mr. R. Nilakanta Pillai.]

His Highness the Maharaja's tours outside the State (1·13) and Buildings, Communications and Miscellaneous Public Improvements including Protective Irrigation (3·73). The increase under Interest is due partly to the payment of interest charges on the growing Savings Bank Deposits and partly to the expenditure amounting to Rs 2·90 lakhs incurred in connection with the conversion of the old 3½ per cent. Government of India non-terminable securities to 4 per cent. 1960 70 terminable securities. The additional expenditure of Rs 2·90 lakhs is however counter-balanced by a corresponding receipt of Rs 2·88 lakhs under IX Interest Conversion and sale of Government of India Securities. Under Palace, the excess is due to the expenditure on account of the annual payment of Rs 75,000 to Her Highness the Senior Maharani from the date of termination of the Regency. The increase under Panivagai is on account of the additional grants sanctioned for extensions and improvements to the Kowdiyar Palace. The increase under Buildings, Communications and Miscellaneous Public Improvements including Protective Irrigation is due to the fact that, as already explained, a sum of Rs 2·57 lakhs has been charged to this head and shown as receipts under the Road Development Fund. It is also due to the provision of additional funds for urgent works in the current year.

5. Turning to the Capital section, sale proceeds of Government lands are expected to bring in only Rs 1 lakh against Rs 2 lakhs anticipated in the budget and the capital expenditure stands revised at Rs 11·31 lakhs. In the result, a net outgoing of Rs 9·14 lakhs is expected at the close of the year as against the budget estimate of Rs 15·78 lakhs. The Government balance at the close of the year is thus expected to stand at Rs 113·70 lakhs.

BUDGET ESTIMATES FOR 1109.

6. I shall now proceed to deal with the budget estimates for the next year. Our revenue is expected to stand at Rs 230·04 lakhs and the expenditure proposed therefrom is Rs 229·25 lakhs leaving a nominal surplus of Rs ·79 of a lakh. The capital receipts next year are expected to amount to Rs 1 lakh and the proposed programme of capital expenditure is estimated at Rs 19·37 lakhs. In the result we shall be drawing from our accumulated surplus of previous years Rs 17·58 lakhs for our capital undertakings.

REVENUE.

7. The budgeted revenue for the next year is Rs 230·04 lakhs as against the current year's anticipated revenue of Rs 232·88 lakhs so that our forecast for the ensuing year is Rs 2·84 lakhs less. This decrease is only apparent. While dealing with the revised estimates for the current year, I had referred to the special receipt under interest amounting to Rs 2·88 lakhs on account of premium realised by the conversion and sale of some of our existing

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Government of India securities. If this special receipt, as also the excess over the budgeted receipt amounting to Rs. 2·57 lakhs on account of subventions from the Central Road Development Account, be deducted from the anticipations of the current year, the total revenue next year is expected to be Rs 2 61 lakhs more than the current year's. The decrease of Rs 2·84 lakhs from our expectations this year is the net result of a decline in revenue to the extent of Rs 6·09 lakhs under some of the revenue heads especially Salt (·50), Customs (·20), Interest (2·01) and Buildings, Communications and Miscellaneous Public Improvements (2·92), counterbalanced by improvement in revenue to the extent of Rs 3·25 lakhs under others, of which Land Revenue and Forest contribute Rs 1·60 lakhs and Rs ·50 of a lakh respectively.

Salt.—The expected decrease is under Recoveries on account of charges incurred in the sale of salt, due to larger sales by the licensees themselves on payment of duty.

Customs. As already explained, the large increase under Imports this year was due to the import of a large quantity of Ceylon copra. A decline of Rs ·50 of a lakh under Exports including tea and of Rs ·75 of a lakh under Imports is anticipated during the next year. But, the receipt from our participation in the Cochin Harbour Scheme is expected to be Rs 1·06 lakhs more than the current year's receipt of Rs 12·94 lakhs.

Interest.—It has already been explained that the current year's revenue includes Rs 2·88 lakhs on account of premium realised by the conversion and sale of some of our surplus investments in Government of India Securities in a favourable market. We have no such programme for the coming year.

Buildings, Communications and Miscellaneous Public Improvements.—The subventions from the Central Road Development Account of the Government of India are expected to amount to Rs 1 lakh only in the next year as against Rs 3·57 lakhs received in the current year for the period ended 1932 and for the first half of 1932—33.

Land Revenue.—The payment of Rs 1·34 lakhs in the current year to the Palace on account of net revenue from Kandukrishi lands during 1107 is deducted from the gross receipts under Land Revenue The similar payment for the next year is proposed to be met from the balance under Kandukrishi Fund. This accounts mainly for the expected increase under this head.

Forest.—The timber market is exceptionally dull this year on account of the prevailing economic depression. A slight improvement of Rs ·50 of a lakh is expected next year. The estimated receipt of Rs 12 lakhs for 1109 is, however, less than the actuals of 1107 by Rs 1·06 lakhs.

Railways.—The working of the Railway from Shencotta to Trivandrum for the year ended March 1933 resulted in a net loss o Rs ·52 of a lakh as against Rs ·74 of a lakh for the previous year. As

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